CONVERGENCE DIALOGUE BETWEEN T20 AND C20*

T20 Task Force 3 - Reforming the International Financial Architecture and C20 Working Group 1 - Fair, Inclusive and Anti-Racist Economies

T20 Task Force 2 - Sustainable climate action and inclusive just energy transitions and C20 Working Group 3 - Environment, Climate Justice and Just Energy Transition

T20 Task Force 5 - Inclusive digital transformation and C20 Working Group 7 - Digitalization and Technology

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* On the economic agenda, the BRICS Policy Center and the Institute of World Economics and Politics are lead co-chair organizations of T20 Task Force 3, and Gestos, Latindadd and the Institute of Economic Justice are facilitators of C20 Working Group 1. On the environment and climate agenda, Plataforma CIPÓ and IDDRI are lead co-chair organizations of T20 Task Force 2, and the Climate Observatory, Engajamundo and the Climate Justice Network are facilitators of C20 Working Group 3. Finally, on the digital agenda, Data Privacy and ORF lead co-chair organizations of T20 Task Force 5, and Idec, Lapin and the Amrita Technology Business Incubator are facilitators of C20 Working Group 7. The Converge Dialogue is the result of a rich dialogue and exchange among all these institutions and organizations that took place between February and June 2024, during the Brazilian presidency of the G20.

The The planet is grappling with multiple, overlapping crises stemming from climate change and biodiversity loss, as well as significant setbacks in global efforts to fight poverty and hunger. Added to this, there are pressing challenges posed by digital technologies and artificial intelligence (AI), a widening financing gap for the Sustainable Development Goals (SDGs), debt distress in the Global South, sluggish governance reform, and an unfair international tax system.

The international financial architecture, established post-World War II, has failed to provide solutions to these contemporary challenges. Originally designed by and for devel-

oped countries, it inadequately addresses climate change, social inequality, and systemic crises, failing to meet needs arising from climate risks, geopolitical tensions, income and wealth gaps, and gender and racial biases.

As a result of this dysfunctional governance, countries are falling behind in implementing key global commitments such as the Paris Agreement and the SDGs. The necessary global energy transition to limit temperature rise and promote sustainable development must occur within the context of a fair, sustainable, and globally inclusive economic transformation. However, access to affordable finance remains a significant barrier to these initiatives. Less developed countries require equitable financing that avoids debt and conditionalities, promoting sustainable, inclusive, and decolonizing economic transformation. This can be achieved through reforming multilateral financial institutions, providing sovereign debt relief, and establishing a new tax structure.

In addition, as economies become increasingly digital, new challenges arise. Online spaces have become fertile ground for disinformation and hateful content, harming both individuals and the social fabric of democracies. Access to digital technologies and their capabilities is not universal, with no single solution in sight to address the difficulties preventing different populations from achieving meaningful connectivity. The rapid adoption of AI presents opportunities to address pressing challenges across various fields, but also poses significant threats to fundamental human rights. Governments continue to explore investments in alternatives such as public digital infrastructure, recognizing that public technologies can be a vital driver of future development.

To address all these issues, T20 think tanks and C20 civil society organizations have developed the following joint recommendations to the G20:

REFORM OF THE MULTILATERAL FINANCIAL INSTITUTIONS

* The G20 should promote reforms in International Monetary Fund (IMF) and World Bank governance to ensure fair gender, ethnic, racial, and regional representation. It should advocate for changes to the IMF's quota system to fairly represent the Global South and allocate more Special Drawing Rights to developing countries.

* The G20 should advocate for a reform of the IMF's lending policy through a cap on the SDR interest rate to shield borrower countries from soaring borrowing costs during financial distress. It must also promote a countercyclical design for the surcharge system, with the ultimate goal of eliminating surcharges in the medium term.

* The G20 should foster Multilateral Development Banks (MDBs) cooperation to share risks, diversify funding sources, and promote local currency use. This involves developing local currency capital markets in middle-income countries, diversifying portfolios across currencies, and managing currency risk. "Bigger, Better, and More Effective" roadmap for MDBs reform must aim to work for all, fostering a system with sustainable, inclusive, and human rights-aligned mandates.

SOVEREIGN DEBT RELIEF AND RESOLUTION

* G20 should enhance debt restructuring with bondholders by passing UK and New York Bills for a comprehensive mechanism. It also should ensure private creditor participation, protect sovereign assets during restructuring, and limit creditor recoupment; and require collective action clauses in all sovereign debt contracts to prevent holdouts and bind all bondholders to supermajority-approved agreements.

* The G20 must accelerate the reform of the Common Framework for Debt Treatment in favor of the countries currently in the process, to establish international principles equitably guiding sovereign debtors and creditors in meeting their environmental, social, and human rights commitments during negotiations. These principles should be publicly articulated to ensure that legal obligations are met, protected from austerity measures, and later incorporated into a subsequent multilateral framework.

* The revised Framework should adopt a new Debt Sustainability Analysis to categorize countries by distress levels and required debt relief, including middle-income and fiscally constrained nations.

* The G20 should implement incentives compelling all creditor classes to engage in providing necessary debt relief. The Fair Comparability of Treatment (FCT) principle should guide this, adjusting haircuts based on original debt concessionality.

* A temporary, automatic standstill on debt service should be included in the Common Framework to halt repayments during negotiations, encouraging private creditor involvement and facilitating investments in green and inclusive recovery.

INTERNATIONAL TAXATION

* The G20 should endorse and implement the United Nations Framework Convention on International Tax Cooperation (UNFCITC) to ensure fair global revenue allocation. The G20 must ensure that the UNFCITC adopts a democratic, inclusive governance structure to address international tax challenges.

* G20 members must intensify efforts on information exchange and bolster tax transparency, notably through public country-by-country reporting. They should advance information sharing on different asset classes and establish a public Global Asset Registry under the UNFCITC.

* G20 nations should endorse a global minimum tax on wealthy individuals and families ("super rich") within the UNFCITC framework, with commitments to direct resulting revenues towards realizing human rights, particularly in impoverished countries of the Global South.

INFORMATION INTEGRITY

* The G20 should contribute to media plurality by including privacy-oriented, interoperability mechanisms for leveling the playing field and open knowledge strategies, while also facilitating the development of alternative models of digital platforms.

MEANINGFUL CONNECTIVITY

* G20 members must establish partnerships to diversify financing mechanisms and universalization subsidies to promote connectivity by exploring possibilities such as digital solidarity funds.

DIGITAL GOVERNMENT

* The G20 should foster the development of Digital Public Infrastructures (DPIs) that serve the public interest, through democratic processes and meaningful public participation.

* It must ensure inclusiveness and accountability of DPI, aligning its creation and implementation with the community needs and values, also establishing legislative frameworks and accountable public bodies for overseeing DPIs.

* The G20 should develop a non-binding common set of principles for resilient and sustainable DPIs, building from digital public commons, such as open data, AI models, and standards that can be freely replicated.

ARTIFICIAL INTELLIGENCE

* The G20 should complement the 2019 AI principles by emphasizing data justice and solidarity, and applying the precautionary principle to reduce information asymmetry about AI risks.

* It must align AI development with the UN's Sustainable Development Goals, mitigating environmental impacts and improving AI supply chain conditions, also including stakeholders in continuous risk assessment through external audits and data access.

* The G20 should establish an AI accountability framework integrating public funding, policy, and regulation, focusing on human-centered AI for climate change, health, and poverty.

* G20 members must ban high-risk AI uses like facial recognition for law enforcement.

JUST ENERGY TRANSITION

* To foster the just dimension of the transition, the G20 should develop holistic plans that promote decarbonization, climate adaptation, and biodiversity preservation. These plans should ensure universal access to clean energy and due respect for human rights, and prevent and mitigate adverse social and environmental impacts of energy projects.

* The G20 must promote universal, equitable, and reliable access to energy by expanding decentralized and distributed generation over this decade, including in vulnerable and isolated communities, without causing social exclusion, environmental inequalities, and increased extractivism.

CLIMATE AMBITION

✸ The G20 should establish a permanent climate action body dedicated to monitor the implementation of climate-related pledges from G20 Working Groups and Engagement Groups; lead a global pledge to phase out all fossil fuels; and serve as a forum to discuss strategies to develop and implement national climate targets towards a 1.5°C scenario.

✸ The G20 must promote better synergies between International Financial Institutions' (IFIs) reform efforts and the United Nations Framework Convention on Climate Change (UNFCCC) processes to effectively enhance climate action. This includes mobilizing finance, capacity building, and technology transfer in support of implementing the Paris Agreement and the Global Stocktake (GST), aligned with the principles enshrined in the UNFCCC, especially Common But Differentiated Responsibilities and Respective Capabilities (CBDR-RC).

✸ Recognizing the need to promote greater balance between climate mitigation and adaptation, the G20 should foster the implementation of adaptation policies in accordance with economic, social and political demands.

CLIMATE JUSTICE

✸ To enhance representativeness in climate governance, the G20 should establish clear guidelines to ensure that vulnerable and underrepresented populations* are at the center of climate-related decision-making processes and the development of territorial climate mitigation and adaptation plans.

✸ The G20 must increase access to climate education and traditional knowledge within national education systems, while ensuring this information is accessible and comprehensible to all, and urge governments to establish national and global programs to protect environmental defenders and whistleblowers.

*   Vulnerable and underrepresented populations include, but not limited to, Indigenous Peoples, local communities, afro-descendant peoples, peasants, women and girls, children and youth, the elderly, persons with disabilities, and persons discriminated against based on their sexual orientation, and gender identity and expression.

CLIMATE FINANCE

* The G20's efforts to reform IFIs must prioritize justice and inclusiveness, adopting a vulnerability and needs-based approach to ensure that the funding reaches the countries and communities most in need. Financial flows should be guided by principles of additionality, affordability, predictability, flexibility and transparency and must be responsive to marginalized communities.

* The G20 should ensure climate justice through a fairer global tax system and subsidy repurposing. This involves implementing fair taxes on major polluters and highly-polluting corporations in accordance with CBDR-RC principles. The G20 should also support the implementation of a minimum tax on very-high-net-worth individuals' incomes and the establishment of the UNFCITC, as well as the sovereign debt-canceling for vulnerable and highly indebted countries and the increasing of concessional finance at least fivefold by 2030 to mitigate and respond to the impacts of climate change.

Click here to access the full statements for each of the topics.

Partner institutions:

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